



Representative Louise M. Slaughter
Chairwoman, House Committee on Rules
Representing New York's 28th District

PRESS RELEASE

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Rep. Slaughter Applauds Passage of Key Housing Measures to Address Mortgage Crisis

Washington, DC – Congresswoman Louise M. Slaughter (D-NY-28), Chairwoman of the House Committee on Rules, today applauded the passage of key housing bills to address the growing mortgage crisis. The bills are part of a comprehensive housing package that responds directly to families currently struggling to keep their homes and provides the tools to avoid another crisis.

“Across the country, thousands of families enter into the foreclosure process every single day, many of them in Western New York,” said Rep. Slaughter. **“These**

foreclosures are taking a devastating toll on our neighborhoods and running roughshod over regional economy. I am proud that Congress has taken action to give relief to struggling home owners before the damage to our communities is irreversible.”

The housing package, which has garnered bipartisan support, creates a Federal Housing Administration (FHA) program to help at-risk borrowers refinance their mortgages, overhauls the FHA to increase the number of mortgages insured by the agency, and improves regulations for mortgage giants, Fannie Mae and Freddie Mac.

“These vital measures will enable us to repair our economy, restore confidence in the markets, and limit the damage to families and neighborhoods,” Slaughter concluded.

In addition to the housing package, Rep. Slaughter joined colleagues in passing H.R. 5818, the Neighborhood Stabilization Act, to assist states in acquiring and rehabilitating foreclosed homes in order to restore home values in neighborhoods hit hard by the crisis.

BACKGROUND

The following measures, included in the housing package, were passed by the House of Representatives today:

Federal Housing Administration Rescue (H.R. 583)

- Provides mortgage refinancing assistance to keep families from losing their homes, protect neighboring home values, and help stabilize the housing market.
- Expands the FHA programs that borrowers in danger of losing their home can refinance into lower-cost, government - insured mortgages they can afford to repay.
- Protects taxpayers by requiring lenders and homeowners to take responsibility. This is not a bailout; in order to participate, lenders and mortgages investors must take significant losses by reducing the load principal. In exchange for an FHA guarantee on the mortgage, borrowers must share any profit from the resale of a refinanced home with the government

Tax Provisions to Expand Refinancing Opportunities and Spur Home Buying (H.R. 5720)

- Gives first-time homebuyers a refundable tax credit that works like an interest-free loan of up to \$7,500 (to be paid back over 15 years) to spur home buying and stabilize the market.
- Supplies states with \$10 billion of additional tax-exempt bond authority in 2008 to refinance subprime loads, make loans to first-time homebuyers and to finance the building of affordable rental housing.
- Provides taxpayers that claim the standard property deduction with up to an additional \$700 standard deduction for property taxes
- Makes necessary reforms to encourage the creation of low-income housing

Two bills, previously passed by the House, are also part of the package:

FHA Modernization (H.R. 1852)

- Expands affordable mortgage loan opportunities for families (many of whom would otherwise turn to subprime lenders) and for seniors through expanded access to reverse mortgages through FHA reform.

Government Sponsored Enterprise reform (H.R. 1427)

- Government Sponsored Enterprise reform. Strengthens regulations on Fannie Mae and Freddie Mac and raises their loan limits to increase liquidity in the mortgage market, and creates a new Fund to boost the nation's stock of affordable rental housing.

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